

## A SNAPSHOT OF FSA AND THE COMMODITY CREDIT CORPORATION

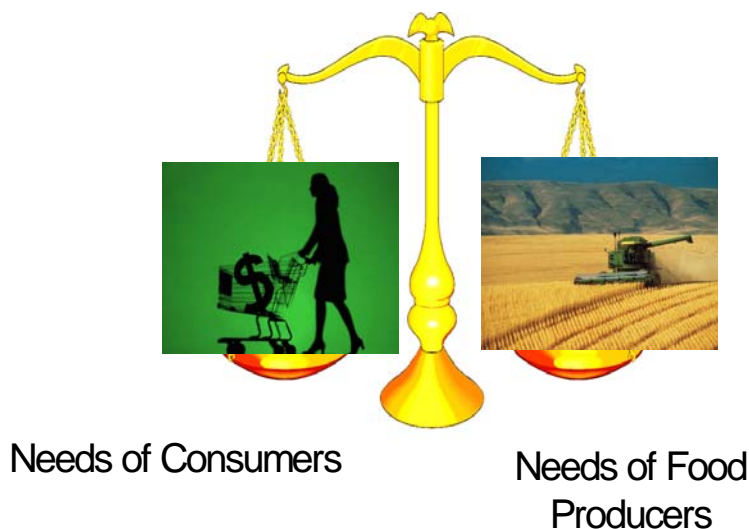
FSA was created by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994. The Agency helps improve the economic stability of the Nation's agricultural industry and the environment through farm income support programs; farm ownership, operating, and emergency loans; conservation programs; domestic and overseas food assistance programs; and disaster assistance programs (see Appendix B).

The U.S. agricultural industry represents more than 15 percent of the Nation's domestic product – generating \$1 trillion in economic activity each year. FSA programs help fuel this economic engine while encouraging conservation, protecting the environment, and enhancing natural resources.

FSA loan and income support programs help farmers and ranchers produce an abundant domestic food supply, while competing aggressively for export sales of commodities in the world marketplace. The financial assistance FSA provides to farmers and ranchers is called a *safety net* because it helps farmers maintain economically effective operations and stay in business through good and bad years. This assistance helps to stabilize market fluctuations.

Food assistance programs redirect surplus domestic food supply to segments of domestic and world societies in need of food aid. FSA programs, therefore, have a global impact benefiting all segments of society – farmers, ranchers, agricultural partners, children and adults, rural and urban communities, and food aid recipients around the world.

While FSA's mission is central to the 2005 – 2010 Strategic Plan, the Agency's long-term vision is that we must simultaneously meet and balance the needs of the consumer and the food producers. In many instances, consumers and producers have competing needs. FSA is committed to effectively balancing its efforts so that consumer needs for economically priced food products do not negatively affect the farms and ranches that supply those products. The Agency's dual vision, based on internal and external stakeholder feedback, is designed to balance the competing needs of the consumer and food and fiber producers. This dual approach is critical for achieving FSA's long-term strategic goals and program outcomes contained in the 2005 – 2010 Strategic Plan.



## FSA STRUCTURE



**One Stop Service at the USDA Service Center in Virginia.<sup>1</sup>**

FSA delivers its programs through FSA State Offices and the USDA Service Center structure. In addition to its Washington, D.C., headquarters and national offices in Kansas City, St. Louis, and Salt Lake City, FSA maintains State Offices, usually at the capital or near a State land grant university and in Puerto Rico. FSA also maintains a local office in the Virgin Islands. More than 2,400 USDA Service Centers are staffed by more than 13,000 county office employees and 5,800 Federal employees. FSA's national office guides State and county offices in their implementation of programs legislated by Congress to help ensure the well-being of American agriculture and to ensure that programs are administered equitably and efficiently. The local FSA County Committees, comprised of locally-elected farmers and ranchers, play an important role in administering FSA's programs. Commodity, farm loan, conservation, disaster, and emergency assistance programs are delivered through this local structure. Through FSA's extensive field office structure, its staff maintains close contact with Agency customers and can usually address customers' individual needs and concerns locally.

The Agency's programs date to the 1930s, when Congress set up the committee system under which Federal farm programs are administered locally. When the USDA was reorganized in 1994 and FSA was created from the merger of the Agriculture Stabilization and Conservation Service and the former Farmers' Home Administration, Congress mandated improved delivery of programs and services to USDA's customers and required agencies to cooperate to deliver agricultural programs. In response to this mandate, USDA developed the Service Center concept, which includes co-location of three USDA "sister" agencies – FSA, Rural Development (RD), and the Natural Resources Conservation Service (NRCS). This offered USDA customers "one-stop" service and reduced administrative overhead. The three agencies share field equipment and services, cross-train employees in program areas, and share program and producer profile data across a national USDA Service Center database known as the Service Center Information Management System (SCIMS). Since its inception, FSA has been a partner agency in the USDA Service Center effort.

The Service Center effort is designed to deliver:

- One-stop service,
- Quality customer service,
- Improved efficiency and cost savings, and
- Effective partnerships.

FSA, in cooperation with other USDA agencies including NRCS, RD, Risk Management Agency, Cooperative State Research, Education and Extension Service, and the Food and Nutrition Service, streamlined the USDA field structure to provide farmers and ranchers access to the "one-stop" service for natural resource conservation, rural development, and agricultural loan and commodity programs. The Agency is also working with local resource and conservation districts, State Departments of Agriculture, the U.S. Fish and Wildlife Service, the Economic Research Service, the Agricultural Marketing Service, licensed warehouse owners and operators, loan associations, commodity associations, community-based organizations, and lending institutions to ensure timely, fair, and effective delivery of its programs at the local level.

<sup>1</sup> All photos in this Strategic Plan are courtesy of USDA. The photos are available at USDA's Online Photography Center: <http://www.usda.gov/oc/photo/opcservj.htm>



## **COMMODITY CREDIT CORPORATION**

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The Commodity Credit Corporation (CCC) is a Government-owned and operated entity that was created to stabilize, support, and protect farm income and prices. CCC also helps maintain balanced and adequate supplies of agricultural commodities and aids in their orderly distribution. CCC was incorporated October 17, 1933, under a Delaware charter with a capitalization of \$3 million. It is currently funded at \$36 billion. On July 1, 1939, CCC was transferred to the United States Department of Agriculture (USDA). FSA, through the CCC, aids agricultural producers with loans, purchases, direct payments, and other operations, and makes available materials and facilities required in producing and marketing agricultural commodities.

CCC may authorize the sale of agricultural commodities to other government agencies and to foreign governments and the donation of food to domestic, foreign, or international relief agencies. CCC also assists in developing new domestic and foreign markets and marketing facilities for agricultural commodities.

CCC is managed by a Board of Directors, subject to the general supervision and direction of the Secretary of Agriculture. All members of the Board and Corporation officers are USDA officials. CCC's price support, storage facility loans, commodity reserve, and conservation programs, and its domestic acquisition and disposal activities are carried out primarily through FSA personnel and facilities.

County Committees, State Committees, and members of the CCC will all help FSA implement this Strategic Plan and ensure that FSA delivers its mission effectively and equitably to the American public.



## FSA PROGRAM SUMMARY

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FSA delivers a variety of programs (see Figure 3) designed to help farmers and ranchers meet many of their most difficult challenges. Whether they are facing temporary financial distress or natural disasters, balancing conservation and production, or storing and selling their commodities, FSA has a program to help today's farmer or rancher remain stable and productive. Each program falls into one of the four categories described below.

***Farm Loan Programs - Improve access to capital for farmers and ranchers.*** FSA's loan programs are available to help family farmers who are temporarily unable to obtain private or commercial credit. FSA makes and guarantees loans to such farmers and ranchers to allow them to purchase farmland and finance agricultural production. Often these loans are provided to beginning farmers who do not have enough net worth to qualify for commercial credit. In other cases, they are farmers who have suffered financial setbacks from natural disasters, or who have limited resources with which to establish and maintain profitable farming operations.

***Income Support and Disaster Assistance Programs - Improve access to capital for farmers and ranchers, mitigate market losses, and mitigate losses from natural disasters.*** Income support and disaster assistance programs provide financial assistance to protect farmers and ranchers from fluctuations in market conditions and unexpected natural or man-made disasters. Assistance is provided through Income Support programs and the Noninsured Crop Disaster Assistance Program (NAP). Assistance is also provided through FSA's Emergency Conservation Program (ECP) and *ad hoc* disaster programs that vary from year-to-year. The Agency is redesigning the way it interfaces with farmers and producers in its traditional "safety net" programs by expanding on-line options while maintaining more traditional approaches.

***Conservation Programs - Improve conservation practices, target lands to maximize conservation benefits, and mitigate adverse impacts from agricultural production.*** Strengthened by the 2002 Farm Bill, FSA's conservation programs offer farmers and ranchers a variety of financial and economic incentives to conserve natural resources on the Nation's privately owned farmlands. Programs focus on reducing erosion, protecting streams and rivers, restoring and establishing fish and wildlife habitats, and improving air quality through several conservation incentive payment and cost-share programs and through the technical assistance provided by FSA's partners.

***Commodity Operations - Provide adequate, secure storage capacity that maintains quality, expand domestic and international market opportunities, and improve the purchase and delivery of food aid.*** Commodity operations programs handle the acquisition, procurement, storage, disposition, and distribution of commodities, and the administration of the U.S. Warehouse Act (USWA). These programs help achieve domestic farm program price support objectives, produce a uniform regulatory system for storing agricultural products, and ensure the timely provision of food products for domestic and international food assistance programs and market development programs.



Farm Loan Programs	Income Support and Disaster Assistance Programs	Conservation Programs	Commodity Operations
Ad Hoc Programs	Crop Disaster Program	Conservation Reserve Program	Bill Emerson Humanitarian Trust
Beginning Farmer Down Payment Loan Program	Dairy Indemnity Payment Program	Conservation Reserve Enhancement Program	Bioenergy Program – scheduled for phase out in FY 06
Boll Weevil Eradication Loan Program	Direct and Counter-Cyclical Payment Program	Continuous Conservation Reserve Program	Canadian Wheat End Use Certificate Program
Debt for Nature Program	Ewe Lamb Replacement/Retention Program	Emergency Conservation Program	CCC Inventory Management and Operations
Direct Farm Operating Loan Program	Farm Storage Facility Loan Program	Farmable Wetlands Program	Extra Long Staple Cotton Competitiveness Payment Program
Direct Farm Ownership Loan Program	Hard White Wheat Incentive Payment Program	Grassland Reserve Program	Food Assistance Purchase Programs – Domestic and Export
Emergency Loan Program	Karnal Bunt Program		Milk Price Support Purchase Program
Guaranteed Farm Operating Loan Program	Livestock Assistance Program		Total Quality Systems Audit
Guaranteed Farm Ownership Loan Program	Livestock Indemnity Program		Upland Cotton Competitiveness – User Marketing Certificate Program
Indian Tribal Land Acquisition Program	Milk Income Loss Contract Program		U.S. Warehouse Act – Federal Warehouse Licensing
Youth Loan Program	New Mexico Tebuthiuron Program		
	Noninsured Crop Disaster Assistance Program		
	Nonrecourse Marketing Assistance Loan Program		
	Sugar Loan Program and Sugar Marketing Allotments		
	Sugar Storage Facility Loan Program		
	Tobacco Program – scheduled for phase out in FY 05		
	Tobacco Transition Payment Program		
	Tree Assistance Program		
	Trade Adjustment Assistance Program		
	Ad Hoc Programs		

Figure 3. Farm Service Agency Programs by Category



## CIVIL RIGHTS



**On a tobacco farm in the Danville, VA area Miguel Diaz carries a new crop from the field.**

FSA is committed to continuously improving its performance in civil rights and is incorporating USDA's Civil Rights Policy throughout its operations. FSA has formed its own Civil Rights Policy Statement, with the Administrator committing the Agency to integrating civil rights principles throughout its programs and operations, externally and internally. Specifically, FSA strives to ensure that there is no discrimination in its employment practices and its program delivery system, and strives to promote an environment of inclusion. FSA's Office of Civil Rights is dedicated to providing exemplary customer service in program delivery, managing workforce diversity, and ensuring equal opportunity for FSA customers and employees.

Equal opportunity officials coordinate the development and implementation of civil rights programs and plans with Agency managers to ensure that civil rights will remain an integral part of this Strategic Plan. FSA conducts Agency-wide training on civil rights issues. This training includes Equal Employment Opportunity (EEO) Managers training on the proper handling of informal EEO complaints, Cultural Awareness/Diversity training, Special Emphasis Program training, and Disability Awareness training. Managers across FSA, as well as non-managerial employees, now have civil rights awareness and compliance as a critical component in their annual performance plans and evaluations. In addition, FSA is establishing performance metrics that will institutionalize accountability for civil rights across the organization.

Civil rights efforts across FSA go hand-in-hand with those of Outreach, External Affairs, Human Resources, Farm Loans, Farm Programs, and other Agency programs. FSA, through its Office of Civil Rights, ensures that barriers to program participation or employment do not exist. As FSA continues to improve program delivery, it faces additional challenges including:

- Implementing new rules designed to increase minority participation in the County Committee elections, and
- Allocating additional resources to proactive initiatives on affirmative action and diversity as a means of moving away from just treating the symptoms of discrimination.

FSA demonstrates its dedication to equal opportunity for all employees and program participants by continuing training and compliance programs, reaching out and listening to stakeholders, instituting performance metrics to enhance accountability, and reallocating resources to improve program effectiveness.